

STATINTL

24 August 1959

Memo to File

From:

Subject: Purchase Order No. 55615E, dated 11 May 1959, to
Panther City Office Supply, Fort Worth, Texas
(Electric "Ditto" Duplicator)

Need

To fulfill the needs of the program, it has been determined that a duplicating machine would be required. This need was concurred in by the customer in the prime contract.

Procurement

Specifications for the machine to meet were designated by Convair as FWIF-ADT-16-0-132 dated 22 April 1959.

The following firms were requested to bid with the results as shown:

*Panther City Office Supply, Ft. Worth	\$1295 less 2% plus FET \$84.18
Stafford-Lowdon Company, Ft. Worth	No bid
Ditto, Inc., Dallas Branch	No bid
Industrial Office Supply Co.	No bid

*Panther City's quote included the certification that the price quoted is the advertised price for this item and that no lower price is quoted for this item to any other buyer.

Conclusion:

Panther City is the only known supplier in this area of Ditto duplicators, was the only firm of four to quote, and offered the item at the lowest price it quotes to any other buyer. As a result, Convair purchased the item at a new price of \$1353.28.



STATINTL

CONVA A Division of GENERAL DYNAMICS CORPORATION
(FORT WORTH)

Approved For Release 2002/07/23 : CIA-RDP64B00187A000700160033-0
FW-527-11-58
SERIES A

PURCHASE ORDER

NOTE
BUYER MUST
SHOW ON ALL PACK-
ING LISTS, INVOICES
AND COMMUNICATIONS.

NO 55615

TO: Panther City Office Supply
905 Throckmorton
Fort Worth, Tex.

VENDOR NO.	MODEL	ACCOUNT NO.	PURCHASE ORDER DATE
USE CODE	REQUISITION DATE	WORK ORDER NO.	CONTRACT NO.
MATERIAL NO.	CASH TERMS	FREIGHT ALLOWANCE	
325X	Net 30 Days	<input type="checkbox"/> NONE <input type="checkbox"/> SEE BELOW	

DELIVER ALL MATERIALS F.O.B. Buyer's Plant

SHIP VIA: Seller's Option OR P.P. SEE BELOW
MARK ALL SHIPPING CONTAINERS AND PACKING SHEETS ATT:

NOTE: PARCEL POST, EXPRESS SHIPMENTS, MAIL AND IN-
VOICES SHOULD BE ADDRESSED TO FORT WORTH, TEXAS.
ALL MOTOR FREIGHT, LCL AND CARLOAD SHIPMENTS ARE
TO BE MADE TO BENBROOK, TEXAS.

BUYER
GROUP 325

ITEM NO.			QUANTITY	UNIT	ITEM DESCRIPTION	CIR 16-0-132.Acct. 168	PRICE UNIT	UNIT PRICE	TOTAL PRICE					
1	1	Ea			Duplicator, Electric, DETTO 18D75. To be in accordance with Convair Specification FWIF-ADT-16-0-132 with the exception that copy surface to be changed from 14" x 15 1/8" to 18" x 13 1/2", and color from gray hammerstone to cream and green.		Ea	\$1,295.00	STATINTL					
2	1	--			Federal Excise Tax		--	84.18						
Materials to be shipped under this purchase order are to be described on Bills of Lading in accordance with current National Motor Freight Classification or Uniform Freight Classification whichever is applicable.								1,379.18						
								25.90 (less 2%)						
								\$1,353.28						
SCHEDULED DELIVERY AT BUYERS' PLANT		YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
		1959					28th							
INSPECTION: All material above is subject to inspection at None														

INSPECTION: All material above is subject to inspection at None

*NOTE SHIPPING INSTRUCTIONS: IF PERMITTED BY POSTAL REGULATIONS, SHIP TO FORT WORTH, TEXAS, VIA PARCEL POST NOT INSURED. IF PARCEL POST NOT PERMITTED,

SHIP TO BENBROOK, TEXAS ON COLLECT COMMERCIAL BILL OF LADING. ROUTE VIA -
DO NOT USE OTHER ROUTING WITHOUT AUTHORITY FROM THIS OFFICE. RAIL EXPRESS, AIR EXPRESS, AND AIR FREIGHT SHIPMENTS WHEN AUTHORIZED, MUST BE MADE AT RE-
LEASED VALUATION AT LOWEST RATE.

"ACCEPTANCE: This Purchase Order (in-
cluding continued page(s) if indicated above)
constitutes Buyer's offer to Seller, and be-
comes a binding contract on the terms and
conditions set forth herein, including those
on the reverse side hereof, when it is ac-
cepted by the Seller either by acknowl-
edgment or the commencement of performance
hereof. No revisions of this order or any of
the terms and conditions thereof shall be
valid unless in writing and signed by an
authorized representative of Buyer; and no
condition stated by Seller in accepting or
acknowledging this order shall be binding
upon Buyer if in conflict with, inconsistent
with, or in addition to the terms and con-
ditions contained herein unless expressly ac-
cepted in writing by Buyer."

STATINTL

SIGNED

BY DATE

APPROVED

BY

GENERAL DYNAMICS CORPORATION
CONVAIR DIVISION
(FORT WORTH)

Approved For Release 2002/07/23 : CIA-RDP64B00187A000700160033-0

PURCH. AGT.

1. **Packing and Shipment:** Deliveries shall be made as specified, without charge for boxing, crating, carting or storage unless otherwise specified; and material shall be suitably packed to secure lowest transportation costs, and in accordance with the requirements of common carriers. Buyer's purchase order numbers and symbols must be plainly marked on all invoices, packages, bills of lading and shipping orders. Packing list shall accompany each box or package shipment showing Buyer's purchase order number and symbol, item number and description of materials. Buyer's count or weight shall be final and conclusive on shipments not accompanied by packing lists. Shipping receipts or bills of lading shall be sent to Buyer's Traffic Department on date material is shipped. Goods shall be packed to assure against damage from weather or transportation. Invoices shall be mailed in triplicate to the attention of Buyer's Accounting Department immediately after each shipment.

2. **Warranty:** Seller warrants that all material and work covered by this purchase order will conform to applicable specifications, drawings, samples and/or other descriptions given and will be merchantable and free from defect in workmanship and material. Unless the materials, or articles covered by this purchase order are manufactured completely to detailed design furnished by Buyer, Seller warrants design. The warranties of the Seller, together with its service warranties and guarantees, shall run to the Buyer and/or its customers.

3. **Inspection:** If a specification number is noted for the articles ordered, Seller shall, upon request, furnish a notarized report confirming manufacture of the articles according to specification. This report shall bear Buyer's purchase order number and a description of the articles shipped, and must be received prior to or at the time of arrival of the articles unless otherwise agreed to by the Buyer.

Seller shall provide a complete inspection system, satisfactory to Buyer, covering the inspection of all materials, fabricating methods, jigs, fixtures, dies and finished articles.

All articles ordered will be subject to final inspection and approval by Buyer after delivery, notwithstanding prior payment, it being expressly agreed that payment shall not constitute final acceptance. Buyer may reject any article which contains defective material or workmanship or does not conform to specifications or samples. Rejected articles may be returned at Seller's risk and expense at the full invoice price plus applicable incoming transportation charges, if any. No replacement of rejected articles shall be made unless specified by Buyer.

4. **Delivery:** Except as hereinafter specified, delivery shall be strictly in accordance with the delivery schedule of this purchase order. If Seller's deliveries fail to meet such schedule with the result that Buyer elects to call upon Seller for express shipments, Seller will allow the difference between freight and express rates. Parts fabricated beyond Buyer's releases are at Seller's risk. Invoices covering material shipped in advance of specifications will not be paid unless otherwise agreed until their normal maturity after the date specified for delivery.

Notwithstanding the provisions of the preceding paragraph, neither party shall be liable for delays or defaults due to causes beyond its control and without its fault or negligence; provided, however, that when the Seller has reason to believe that deliveries will not be made as scheduled, written notice setting forth the cause of the anticipated delay shall be given immediately to Buyer.

5. **Statement of Account:** A statement of account must be sent to Buyer's Accounting Department as soon as possible after the first of each month. Delays in receiving statement or invoice, and also errors and omissions on statement, will be considered just cause for withholding settlement without losing discount privilege.

6. Special Tools:

(a) Unless otherwise herein agreed, special dies, tools and patterns used in the manufacture of the articles herein ordered shall be furnished by and at the expense of Seller, shall be kept in good conditions and, when necessary, shall be replaced by Seller without expense to Buyer.

(b) Upon agreement of the parties Buyer may at any time reimburse Seller for the cost of the whole or any part of said special dies, tools and patterns and replacements, and become the owner and entitled to the possession of same.

(c) If the price stated on the face hereof includes separately the cost of any dies, tools and/or patterns acquired by Seller for the purpose of filling this purchase order, such dies, tools and/or patterns shall become the property of Buyer and Seller shall, to the extent feasible, identify said property as Buyer directs. When this purchase order has been completed, such tools shall be disposed of as Buyer may direct.

7. **Buyer Owned or Furnished Material:** Seller assumes complete liability for any Buyer-owned or Buyer-furnished tooling, articles or materials unless furnished to Seller on a charge basis in connection with this purchase order and Seller agrees to pay for all such tooling, articles or materials spoiled by it or not otherwise satisfactorily accounted for, subject however to the provisions of Article (i) in event Government Contract number is shown on the face of this purchase order. Title to the aforesaid Buyer-owned or Buyer-furnished tooling, articles or materials shall at all times remain in Buyer.

8. **Insurance:** Seller agrees, if and when requested by Buyer, to procure a policy or policies of insurance in form satisfactory to the Buyer, insuring all property on Seller's premises owned by Buyer against loss or damage resulting from fire (including extended coverage), malicious mischief and vandalism. Satisfactory evidence of procurement of such insurance shall be submitted to Buyer within a reasonable period of time after such request by Buyer.

9. **Changes:** If the articles to be furnished hereunder are to be specifically manufactured in accordance with Buyer's drawings and specifications Buyer may by written order make changes in drawings or specifications. Any difference in price or time for performance resulting from such change will be equitably adjusted and the purchase order modified in writing accordingly.

10. **Advertising:** Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or contracted to furnish to Buyer the articles herein mentioned.

11. **Patent Indemnity:** Seller agrees to indemnify Buyer and its customers against any liability, including costs and expenses, for or by reason of any actual or alleged patent infringement arising out of the manufacture, use, sale or disposal of supplies or articles furnished under this purchase order, except where such supplies or articles would be normally non-infringing but are rendered infringing by reason of Seller's compliance with Buyer's detail design and stated requirement for specific structure and Seller gives prompt notice of any claim of infringement related thereto.

12. **Patent Rights:** Where payment is made for experimental, developmental or research work, as such, to be performed in accordance with special requirements of the Buyer, Seller agrees to disclose and on request to assign to Buyer each invention resulting therefrom. All proprietary rights embodied in designs, tools, patterns, drawings, information and equipment supplied by Buyer under this purchase order are reserved and their use is restricted to the work to be performed hereunder.

13. **Compliance with Applicable Laws, etc.:** Seller agrees that, in the performance hereof, it will comply with all applicable laws, statutes, rules, regulations or orders of the United States Government, or any state or political subdivision thereof, and same shall be deemed incorporated herein by reference.

14. **Cancellation:** Buyer reserves the right to cancel all or any part of the undelivered portion of this purchase order if Seller does not make deliveries as provided in this purchase order or if Seller breaches any of the terms hereof, including the warranties of Seller. Buyer shall also have the right to terminate this purchase order or any part thereof in the event of the happening of any of the following: insolvency of Seller; filing of a voluntary petition in bankruptcy; filing of an involuntary petition to have Seller declared bankrupt, provided it is not vacated within thirty (30) days from the date of filing; the appointment of a receiver or trustee for Seller, provided such appointment is not vacated within thirty (30) days from the date of such appointment; the execution by Seller of an assignment for the benefit of creditors. The remedies provided in this section shall be cumulative and additional to any other or further remedies provided in law or equity.

15. **Assignment:** Seller may not assign this purchase order, or any portion thereof, except that Seller may, upon the prior written consent of Buyer, assign claims for monies due or to become due hereunder; provided, in such event, Seller shall supply Buyer promptly with two copies of any such assignments, and provided further that payment to an assignee of any claim hereunder shall be subject to setoff or recoupment for any present or future claim or claims which Buyer may have against Seller.

16. **Subcontracting:** Seller agrees to obtain Buyer's approval before subcontracting this purchase order or any substantial portion thereof; provided, however, that this limitation shall not apply to the purchase of standard commercial supplies or raw material.

17. **Security Regulations:** Seller agrees that prior military security clearance will

be obtained by Seller for the plant premises for the purpose of performing the work covered by this purchase order.

18. **Fair Labor Standards Act:** By execution of this purchase order Seller certifies that these goods will be produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and lawful regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof.

WHEN GOVERNMENT CONTRACT NUMBER IS SHOWN ON FACE, THIS PURCHASE ORDER IS SUBJECT ALSO TO THE FOLLOWING ADDITIONAL TERMS AND CONDITIONS

(a) Nondiscrimination in Employment:

(1) In connection with the performance of work under this purchase order, the Seller agrees not to discriminate against any employee or applicant for employment because of race, religion, color or national origin. The aforesaid provision shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Seller agrees to post hereafter in conspicuous places, available for employees and applicants for employment, such notices as are provided by the Buyer and/or the Government setting forth the provisions of the nondiscrimination clause.

(2) The foregoing shall not apply to the extent that this purchase order is for standard commercial supplies or raw materials.

(b) **Espionage:** Seller will report to the United States Government immediately when known, any danger of espionage or sabotage; it will supply, if requested, the full name, citizenship and country of birth, and alien status of any of its employees; and it will refuse to employ, or will discharge any person or persons whose access to the work in connection with the filling of this purchase order shall be characterized as undesirable by the United States Government.

(c) Military Security Requirements:

(1) The provisions of this article shall apply to the extent that this purchase order involves access to security information classified "Top Secret," "Secret," or "Confidential."

(2) The Buyer shall notify the Seller of the security classification of this purchase order and the elements thereof, and of any subsequent revisions in such security classification, by the use of a Security Requirements Check List (DD Form 254) and Appendage thereto (DD Form 254-1).

(3) To the extent the Buyer has indicated as of the date of this purchase order, or thereafter indicates, security classification under this purchase order as provided in paragraph (2) above, the Seller shall safeguard all classified elements of this purchase order and shall provide and maintain a system of security controls within its own organization in accordance with the requirements of (i) the Department of Defense Industrial Security Manual for Safeguarding Classified Security Information as in effect on date of this purchase order, which Manual is hereby incorporated by reference and made a part of this purchase order, (ii) any amendments to said Manual required by the demands of national security as determined by the Government and made after the date of this purchase order, notice of which has been furnished to the Seller by the Buyer, and (iii) those provisions of written agreements entered into by the Government and Seller pertaining to the adaptation of the Manual to the Seller's business.

(4) Designated representatives of the Government and/or Buyer responsible for inspection pertaining to industrial security shall have the right to inspect at reasonable intervals the procedures, methods, and facilities utilized by the Seller in complying with the requirements of the terms and conditions of this article. Should the Government and/or the Buyer, through its authorized representative, determine that the Seller has not complied with such requirements, the Government and/or the Buyer shall inform the Seller in writing of the proper actions to be taken in order to effect compliance with such requirements.

(5) The Seller agrees to insert, in all subcontracts hereunder which involve access to classified security information, provisions which shall conform substantially to the language of this Article, including this paragraph.

(6) The Seller also agrees that it shall determine that any subcontractor proposed by it for the furnishing of supplies and services which will involve access to classified security information in the Seller's custody has been granted an appropriate facility security clearance, which is still in effect, prior to being accorded access to such classified security information.

(d) Renegotiation:

(1) This purchase order is subject to the Renegotiation Act of 1951 (P.L. 9, 82d Cong., 68 Stat. 7) as amended (P.L. 764, 83d Cong., 68 Stat. 1116; P.L. 216, 84th Cong., 68 Stat. 447), and to any subsequent act of Congress providing for the renegotiation of contracts. Nothing contained in this clause shall impose any renegotiation obligation with respect to this purchase order or any subcontract hereunder which is not imposed by an act of Congress heretofore or hereafter enacted. Subject to the foregoing this purchase order shall be deemed to contain all the provisions required by Section 104 of the Renegotiation Act of 1951, and by any such other act, without subsequent purchase order amendment specifically incorporating such provisions.

(2) The Seller agrees to insert the provisions of this clause, including this paragraph (2), in all subcontracts, as that term is defined in Section 103g of the Renegotiation Act of 1951 or in any subsequent act of Congress providing for the renegotiation of contracts.

(e) **Patent Rights:** If this purchase order has experimental, developmental or research work as one of its purposes, there shall be deemed to be incorporated herein by reference Armed Services Procurement Regulation, Section IX, paragraphs 9-107.1 (Patent Rights), 9-107.2 (Contracts Relating to Atomic Energy), and 9-203.1 (Rights in Data—Unlimited), as currently amended. Seller agrees to comply, and to place Buyer as "Contractor" in position to comply, with said paragraphs insofar as said paragraphs apply to inventions, improvements, discoveries, and copyrighted or copy-rightable material arising under this purchase order.

(f) **Subcontracting:** No subcontract shall be made with any other party for furnishing any of the completed or substantially completed articles, spare parts or work herein contracted for without the approval of the Buyer and an appropriate Government representative as to source.

(g) **Inspection and Audit:** The Seller agrees that its books and records, and its plant or such parts thereof as may be engaged in the performance of this purchase order shall at all reasonable times be subject to inspection and audit by any authorized representative of the United States Government.

(h) **Excess Profits:** Seller agrees that, unless otherwise provided by law, this purchase order shall be subject to all the provisions of 10 U.S.C. 2382 and 7300 and shall be deemed to contain all the agreements required by those sections; provided, however, that this clause shall not be construed to enlarge or extend by contract the obligations imposed by those sections.

(i) **Government Owned Property:** In event any tooling, articles or materials of any type designated as Government property or as Government-owned, is furnished to Seller hereunder or in connection herewith, the Seller will protect, preserve and maintain said property in accordance with sound industrial practice and shall assume complete liability therefor unless otherwise provided on the face of this purchase order.

(j) **Records:** Seller agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this purchase order, have access to and the right to examine any directly pertinent books, documents, papers, and records of Seller involving transactions related to this purchase order.

(k) **Additional Procurement Regulations:** The below indicated Armed Services Procurement Regulation Clauses are hereby incorporated and made a part of this purchase order by this reference:

- (1) Termination (ASPR 8-706)
- (2) Covenant Against Contingent Fees (ASPR 7-103.20)
- (3) Officials Not to Benefit (ASPR 7-103.19)
- (4) Buy American Act (ASPR 6-104.5)
- (5) Walsh-Healey Act (ASPR 7-103.17)
- (6) Notice to Government of Labor Disputes (ASPR 7-104.4)
- (7) Utilization of Small Business Concerns (ASPR 7-104.14)

Wherever in the above clauses, except (1), the words "Contracting Officer" and/or "Government" appear they shall mean the Buyer and wherever the